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PACIFIC TELECOMMUNICATIONS
BOARD OF GOVERNORS MEETING OF THURSDAY, APRIL 14, 2005
12:00 PM Hawaiian Standard Time

Participants: Bruce Drake - Chair; Robert Walp - Vice Chair & VP; Tony Gardiner - Treasurer & VP; Tom Cooper; Robert Y.L. Mao; Richard Nickelsen.

Regrets: Seiichi Tsugawa - Secretary & VP; Rick Cho; David Lassner; William Lin; Kenji Saga; Tim Shea

Secretariat & Support: Stephen Tom - Executive Director; Sharon Nakama - Conference Manager; Linda Ristow - Financial Manager; Bob Bissell - in support of Seiichi Tsugawa

Invited Guests: Jay Gillette - Chair AC; Gregg Daffner - Vice Chair AC

Meeting Commenced at 12:04 PM

1. APPROVAL OF AGENDA

The agenda was approved with no deletions, changes or additions.

2. PAST MINUTES

Stephen Tom indicated that Bob Bissell will make available rough draft minutes within a few days of the meeting. Comments are to be provided before the teleconference. Any necessary corrections will be made and BG members will have a final draft for approval before them during the next scheduled teleconference. Bruce Drake noted that Seiichi and the Secretariat will receive a copy of the minutes early in the process.

Approved minutes will appear on the PTC website within 24 hours of approval.

2.1 BOARD MEETING - FEB. 9, 2005

2.1.1 Revisions

2.1.2 Approve for posting to PTC website

The Board approved the minutes for posting.

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Action: the Secretariat to post the February 9 minutes on the PTC website.

2.2 BOARD MEETING - MAR. 10, 2005

2.2.1 Revisions?

Gregg Daffner noted in Section 4.1.8.4 Financial Controls: "Oversite" should be "oversight." Also in the same section Tony Gardiners full name should appear in full. Stephen Tom indicates that the meeting commenced at 12:03 not 1:03 as indicated.

Action: Bob Bissell will make the necessary amendments and provide the final version to the Secretariat.

2.2.2 Approve for posting

The minutes are approved for posting.

Action: Once the necessary corrections are made, the Secretariat will post the March 10, 2005 minutes on the PTC Website.

3. CURRENT MANAGERIAL ISSUES & DISCUSSION

3.1 MODUS OPERANDI-BG CONFERENCE CALLS

3.1.1 Confirm continuation of calls at 12 Noon Hawaii Time; second Thursday of each month

This meeting schedule is acceptable.

3.2 OTHER

In respect to the timing of the meeting, the Board will be sensitive to individual needs as they occur.

4. STATUS REPORTS

4.1 EXECUTIVE DIRECTOR REPORT - (Stephen Tom)

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4.1.1 Mid-year 2005 - Sept. 20-22, Los Angeles

Stephen Tom indicated that the mid-year seminar is scheduled for September 21st and 22nd. The Board of Governors meeting is scheduled for the 20th. The meeting and seminar location is proposed to take place at the Sherton Delfina Hotel in Santa Monica, California. The best rate negotiated is \$199 US plus tax. Some board members express sensitivity to the room cost. The location was selected on the basis of access to the airport, media outlets as well as conference and meeting room space for approximately 200-225.

Action: Stephen indicated that the Secretariat will assess the possibility of holding the conference at an alternate location (Century Plaza) inconsideration of a lower cost.

Action: Sharon Nakama will identify an alternate lower cost hotel nearby.

Stephen indicated that the Program committee has been formed with Tim Logue as the chair and includes Steven McLellan, Gregg Daffner and Tedson Meyers. The program subjects are telecom infrastructure stability in the Pacific and multi-hazard disaster mitigation.

Stephen suggested arriving on the 19th. The Secretariat is working on sponsorship and conference details. He indicated the draft agenda currently shows a day and a half of programming; however the current level of interest suggests that there will be two **full** days of seminars. There will also be a closing dinner.

4.1.2 PTC 2006 - Jan. 15-18, 2006 Honolulu

Stephen Tom advised that the annual conference program is developing well with Ken Zita's help. Ken anticipates that the call for papers "write-up" will be finalized this week.

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Stephen also advised that Secretariatis developing the necessary partnerships, exhibitors, and the exhibit area marketing.

4.1.3 Building local relationships

Stephen Tom reminded the Board that some of his activities centre on building relationships. The following are some of his higher profile meetings.

4.1.3.1 Gordon Bruce - Mayor's IT Chief

4.1.3.2 Ted Liu - State Dept. of Business,
Economic Development & Tourism

4.1.3.3 Phil Bossert - High Tech Development
Corporation

Stephen Tom indicated Ted Liu and Phil Bossert have encouraged him to participate in an Asian trade mission with the Governor of Hawaii. The mission includes stops in Shanghai (June 8th), Beijing (June 13th), and possibly Guang Zhou and Korea. However, due to a commitment to attend CommunicAsia on June 14th, it appears that the only city Stephen is able to visit is Shanghai.

Robert Mao suggested that even if Stephen is only able to visit Shanghai, the visit would be important to the PTC as there are a large number of contacts in the city. Stephen indicated that the mission is an opportunity to strengthen the relationship with the governor and pursue making and building relationships including memberships, exhibitors, and speakers. Robert indicated that if he is in Beijing at that time he would be able to represent PTC. He also offered to provide a list of potential contacts.

Action: Stephen Tom will send Robert Mao the draft mission itinerary.

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Action: Robert Mao will provide input as to who the PTC reps should meet.

Jay Gillette noted that this mission is very desirable for the PTC as it provides an opportunity to connect to key individuals and organizations in Washington, DC. He also suggested that Robert Mao's interaction helps the PTC to increase its significance in the eyes of the Governor.

Action: Stephen Tom will determine if he can stay an extra day in Beijing.

4.1.3.4 Norman Okamura - PEACESAT

4.1.3.5 Nancy Davis Lewis - Director, Research, East-West Center (E-W Center)

Stephen Tom has contacted Dr. Lewis of the E-W Center, a significant research center on campus of the University of Hawaii. The Center like the PTC focuses on the Pacific Region and is interested in partnering with the PTC on programming. This contact was facilitated by Dick Barber and Mehero Jeswalla

4.1.4 No significant staff issues

Stephen Tom indicated that the PTC has a new well qualified IT administrator, Jesse Garcia. Jesse started on Monday, April 11, 2005.

4.1.5 Media Partnerships - continuing research

Stephen Tom noted that the Secretariat is continuing to build on these relationships.

4.1.6 Marketing

Stephen Tom indicated the Secretariat is determining the marketing resources in terms of part time out-sourcing available to the PTC. He noted that the PTC is maintaining contact with the local press.

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Stephen advised he was recently interviewed by Michelle Kelly. Michelle has ties to the National Association of Broadcasters.

Stephen also advised that an intern has been hired in Singapore to develop an outreach and marketing program for the PTC in that area.

4.1.6.1 Membership - Opening new doors

4.1.6.1.1 New plan

Stephen Tom indicated that this week he will send a notice to all member organizations for the purpose of expanding the PTC's reach. The Secretariat has offered access to the PTC site to an unlimited number of individuals within each of the member organizations with the intent to reach into the business, marketing development and engineering levels of these members.

4.1.6.1.2 BG role

Stephen Tom indicated that the PTC has no new member development program. As a result the Secretariat is developing a membership building process and associated material. Stephen asked the Board to identify potential new or previous members and provide an introduction either by phone or email. The Secretariat will develop the relationship at that point.

Action: Robert Mao requested a list of China, Hong Kong and Taiwan based members.

Action: Bruce Drake, Tony Gardiner and Bob Bissell will provide input on the Canadian Members.

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4.1.6.2 Sponsors & underwriters - program
focused

Stephen noted that this is part of the PTC's marketing efforts. He is working on organizing and expanding efforts to organizations not currently in touch with the PTC.

4.1.6.3 Exhibitions - Will leverage USTDA
Bangkok Telecom Conference

Stephen Tom will participate in this US trade initiative scheduled for June 27-29. South East Asian government telecommunication officials, companies and suppliers and US telecom company executives are expected to participate. Ken Zita will be at the event as well. Stephen and Ken will raise PTC's profile as an exhibition opportunity and seek potential members speakers, participants and buyers.

As a result of recent action by the US District Court in Hawaii, Stephen Tom on behalf of the PTC sent a letter to each of the Philippine telecom entities affected by the US government actions during the 2004 conference. The intent was to show support for the entities and indicate that in the PTC's opinion the court action was an encouraging step towards resolution of this issue. Stephen notes that an appreciative and positive response was received by the Philippines telecommunications Minister appreciated the communication and that he expects that the Philippine entities will ultimately return to the PTC.

Bruce stated that this issue was handled with very high quality.

4.1.6.4 Website upgrades - Discussing with Rich
Halverson, CEO, Guide.net

Stephen Tom indicated that there is a need for a more interactive website. He indicates that

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in addition to Jesse Garcia, he has found a local resource in Rich Halverson, an ex-member of the Board of Directors of the local PTC Hawaii Foundation.

Stephen noted a cosmetic up-grade to the site is planned for release on April 29th, 2005.

4.1.6.5 Public relations - Splitting local from other domestic and international

Discussed in other items.

4.1.7 Travel & meetings

4.1.7.1 NAB, Las Vegas - April 17-21;

Stephen Tom indicated that he will on a moderating panel entitled "Preventing Digital Piracy In Satellite Program Distribution"

4.1.7.2 USTDA Southeast Asia Telecom & ICT Conference, Bangkok - April 27-29;

As noted above, Stephen Tom will be attending.

4.1.7.3 Reminder that ED needs BG input

Stephen Tom reminded Board members that he would like input in respect to meeting and events that he should attend.

4.1.8 Financial report

Stephen Tom provided an outline of the PTC financial position as of March 31, 2005:

- Current cash on-hand US\$895K
- Cash on-hand last year US\$766K
- Cash reserve US\$469K
- Operating account US\$426K (all is committed)
- Expenses as of end of February 28 US\$1180K. This is below budget by about US\$202K but it is not significant as the income projection is tracking behind budget, conference attendance was lower

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than anticipated, and membership revenue is falling behind by US\$20K

- Unbudgeted expenditures are related to
 - o IT: estimated software (US\$50K) and hardware (US\$10K) upgrades are seen as necessary;
 - o Full cost of Stephen's relocation.
- This does not consider the Mid-year as it falls within next years budget.

4.1.8.1 Summary comments

Linda Ristow indicated that revenue is below budget but so are expenditures but the shortfall in revenue is less than the shortfall in expenses. With the exception expenses that may be incurred, the budget may balance.

Stephen Tom indicated that there are only about 400 members and on the average this does not change month to month. The membership is roughly 50 % US and 50% non-US. Membership peaked at approximately 700 in 2000-2001. The current trend is that the PTC loses organization members and gains individual members. Revenue and membership trends will not change unless membership is actively increased.

Richard Nickelsen suggested a starting point for membership growth is to re-establish contact with the FP3 and FP4 category ex-members from the peak years 2000-2001.

Gregg Daffner reminded the Board that a member of last years Board undertook a project to develop a program for the acquisition of new, retention of current members, and the recapture of former members. It involved sending letters to these entities and assigning to Board members the responsibility for direct contact with an equitable number of these entities. Lists were created by the Secretariat. Regrettably, this program was dropped partway

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through last year and perhaps should be revitalized. Stephen noted that this project is being undertaken with some slight modification internally. Refer to item 4.1.6.1.2.

Gregg noted that the other fund-raising initiated was active solicitation of the larger members to sponsor venues and activities during and outside of conferences. Stephen noted that this activity was being developed by the Secretariat.

4.1.8.2 Non-budgeted items - IT & web

Discussed in item 4.1.8.

4.1.8.3 Financial controls

Stephen Tom reminds the Board that he, Tony Gardiner and Linda Ristow have been working on proper financial controls and oversight but that this process is not yet completed. The searching for a local auditor continues. A RFP has been issued but not all responses have been received. Also providing a monthly report showing the PTC bank account status to the Financial Oversight Committee (Rich Cho, John Spence, Tim Shea and Tony Gardiner). Tony Gardiner has responded to a request as to how to put meaning behind checkbook the registers.

4.2 PTC'06 CONFERENCE - KEN ZITA

Stephen Tom noted that Ken Zita was unable to participate.

4.3 COMMITTEES & REPORTS

4.3.1 RESEARCH COMMITTEE - REPORT

Richard Nickelsen indicated that the announcement for essay prize has been issued. The Secretariat has advised Richard that there have been queries about the prize. Richard expressed appreciation to

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the Secretariat for taking on the project and issuing the announcement expeditiously.

Jay Gillette indicated that the essay initiative has been promoted in the policy and regulatory class at Ball State University (Indiana). He noted considerable interest amongst graduate students. He also expressed appreciation to the Secretariat.

Stephen Tom notes that 900 emails were issued and 300 direct hard copy letters were issued to a well researched list of university contacts.

Richard questioned as to the status of the PTR archive as it once contained examples of essays. Stephen Tom indicates that the PTR archives were removed.

Action: The Secretariat will look at putting some examples of the essay on the PTC website.

5. ADVISORY COUNCIL - (Jay Gillette / Gregg Daffner)

Jay Gillette reported that he is having some challenges in gaining co-leadership for Task Force 2 on Sustainability. He noted that though a member of a task force does not contribute they still will receive task force updates. He also noted that any AC member can be a contributing advisor to any task force. Jay provided a list of names of potential task force members

Action: The Board is asked to provide Jay Gillette with recommendations in terms individuals for co-leadership and or participation in the Sustainability Task Force (TF2).

Jay advised that John Spence has offered to co-lead the Task force on Bylaws (TF-3). Jay indicated that he will arrange for an appropriate co-leader.

Jay indicated that Task Force 4 on the development of an AC database (identifying who is on the AC and the resources they represent) is being developed by a

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student research group at Ball State. Jay expects that the group will want/need to talk to the PTC IT staff.

Task Force 5 is the group planning for the PTC 2006 mid-year. There is no movement on this at present.

Bruce Drake expressed appreciation for the work that has gone into the formulation of the Task Forces.

Gregg Daffner commented that ensuring engagement by AC members is for the benefit of the PTC and for the leadership development. The Task Force duty requirement is designed to ensure that AC members are engaged and receive positive reinforcement on their efforts. The ultimate purpose is to develop future PTC leadership, ensuring that the PTC has a future and retaining and developing membership.

Gregg further advised that the first teleconference on Task Force 1, PTC Mission and Vision occurred April 13, 2005. He reports that there is a modus operandi in place and that the TF has begun by building on the work that was done last summer by the AC and the work that was facilitated by the consultant at the January Conference. The timetable dictates that a draft of a new mission and vision statement be submitted to the Board at the beginning of June 2005. He notes that Robert Walp and Bruce Drake are the Board of Governors representatives on the Task Force. The draft will also be published on the PTC website to ensure that all members have the opportunity to review and provide comments over a period of two months. A revised draft will be then provided to the Board about 1 week before the mid-year Board of Governors meeting for due consideration and appropriate action.

6. OTHER

Robert Walp observed that he is very impressed with the process and the work, effort, dedication and competence shown by the members. He further indicated that it bodes well for the PTC.

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7. NEXT BG MEETING - Thursday, May 12, 12:00 PM HT

7. CLOSE REGULAR MEETING

The meeting closed at 1:40 PM Honolulu.

9. IN - CAMERA SESSION - If required
